

**Final Notice of Denial of Application, Revocation
Suspension and/or Fine of Firearms License**

In the matter of:

- The application for license as a/an _____, filed by:
or
 License Number 1-64-121-01-1K-03279 as a/an
as a dealer in firearms, other than destructive devices, issued to:

Name and Address of Applicant or Licensee (Show number, street, city, state and Zip Code)

Cowart's Arms & Ammo, LLC
d/b/a Cowart's Arms & Ammo
2605 Highway 80 East
Pearl, MS 39208-3404

Notice is Hereby Given That:

- A request for hearing pursuant to 18 U.S.C. § 923(f)(2) and/or 922(t)(5) was not timely filed. Based on the findings set forth in the attached document, your
 license described above is revoked pursuant to 18 U.S.C., 923(e), 922(t)(5) or 924(p), effective:
 15 calendar days after receipt of this notice, or _____,
 license is suspended for _____ calendar days, effective _____, pursuant to 18 U.S.C. § 922(t)(5) or 924(p).
 licensee is fined \$ _____, payment due: _____, pursuant to 18 U.S.C. § 922(t)(5) or 924(p).
- After due consideration following a hearing held pursuant to 18 U.S.C. § 923(f)(2) and/or 922(t)(5), and on the basis of findings set out in the attached copy of the findings and conclusions, the Director or his/her designee concludes that your
 application for license described above is denied, pursuant to 18 U.S.C., 923(d).
 application for renewal of license described above is denied pursuant to 18 U.S.C. 923(d), effective:
 15 calendar days after receipt of this notice, or _____
 license described above is revoked pursuant to 18 U.S.C., 923(e), 922(t)(5) or 924(p), effective:
 15 calendar days after receipt of this notice, or June 2, 2022.
 license is suspended for _____ calendar days, effective _____, pursuant to 18 U.S.C. § 922(t)(5) or 924(p).
 licensee is fined \$ _____, payment due: _____, pursuant to 18 U.S.C. § 922(t)(5) or 924(p).

If, after the hearing and receipt of these findings, you are dissatisfied with this action you may, within 60 days after receipt of this notice, file a petition pursuant 18 U.S.C. § 923(f)(3), for judicial review with the U.S. District Court for the district in which you reside or have your principal place of business. If you intend to continue operations after the effective date of this action while you pursue filing for judicial review or otherwise, you must request a stay of the action from the Director of Industry Operations (DIO), Bureau of Alcohol, Tobacco, Firearms and Explosives, at One Galleria Boulevard, Suite 1700, Metairie, LA 70001

prior to the effective date of the action set forth above. You may not continue licensed operations unless and until a stay is granted by the DIO.

Records prescribed under 27 CFR Part 478 for the license described above shall either be delivered to ATF within 30 days of the date the business is required to be discontinued or shall be documented to reflect delivery to a successor. See 18 U.S.C. 923(g)(4) and 27 CFR § 478.127.

After the effective date of a license denial of renewal, revocation, or suspension, you may not lawfully engage in the business of dealing in firearms. Any disposition of your firearms business inventory must comply with all applicable laws and regulations. Your local ATF office is able to assist you in understanding and implementing the options available to lawfully dispose of your firearms business inventory.

Date	Name and Title of Bureau of Alcohol, Tobacco, Firearms and Explosives Official	Signature
05/11/2022	Valentina Close, Director, Industry Operations, New Orleans Field Division	VALENTINA CLOSE <small>Digitally signed by VALENTINA CLOSE Date: 2022.05.11 10:26:27 -0500</small>

I certify that, on the date below, I served the above notice on the person identified below by:

- Certified mail to the address shown below.
 Tracking Number: 7016 3010 0000 4682 0318
- Or
- Delivering a copy of the notice to
 the address shown below.

Date Notice Served	Title of Person Serving Notice	Signature of Person Serving Notice
05/11/2022	Senior Operations Officer	(b)(6)

Print Name and Title of Person Served	Signature of Person Served
Cowart's Arms & Ammo, LLC d/b/a Cowart's Arms & Ammo	

Address Where Notice Served
 2605 Highway 80 East, Pearl, MS 39208-3404

Note: Previous Edition is Obsolete

Background

Cowart's Arms and Ammo, LLC ("Licensee") holds a Federal firearms license #1-64-121-01-1K-03279 as a dealer in firearms other than destructive devices issued by the Bureau of Alcohol, Tobacco, Firearms and Explosives ("ATF") pursuant to the Gun Control Act of 1968, as amended, 18 U.S.C. Chapter 44, and the regulations issued thereunder, 27 C.F.R. Part 478 (collectively "GCA").

On January 4, 2022, ATF issued a Notice to Revoke or Suspend License and/or Impose Civil Fine, ATF Form 5300.4, to Licensee. By letter dated January 18, 2022, ATF timely received Licensee's request for a hearing to review that Notice.

A hearing was held on February 10, 2022, at the ATF Jackson Field Office. The hearing was conducted by Valentina Close, Director, Industry Operations for the New Orleans Field Division. ATF was represented by Division Counsel (b)(6) ATF Industry Operations Investigator (IOI) (b)(6) appeared as witnesses on behalf of the Government. Responsible Person Larry Franz Cowart appeared as the sole witness for the Licensee. ATF New Orleans Field Division Area Supervisor (b)(6) attended, and IOI (b)(6) assisted in electronic presentation of evidence. The hearing was recorded and transcribed. The Government and Licensee offered testimony and exhibits. The testimony and exhibits introduced at the hearing constitute the record in this proceeding.

Findings of Fact

Having reviewed the record in this proceeding, I make the following findings:

During the hearing, the wording of the Notice was amended. The Notice, as amended during the hearing, alleged the following violations:

1. On (b)(3) occasions, Licensee willfully sold or disposed of a firearm to a person who Licensee knew or had reasonable cause to believe was subject to Federal firearms disabilities, in violation of 18 U.S.C. § 922(d) and 27 C.F.R. § 478.99(c). See Appendix ¶ 1.
2. On (b)(3)-11 occasions, Licensee willfully failed to record the acquisition and disposition of firearms, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.125a. See Appendix ¶ 2.
3. On 5 occasions, Licensee willfully transferred a firearm to an unlicensed person without first contacting the National Instant Criminal Background Check System ("NICS") and obtaining a unique identification number and/or waiting three days before allowing the transfer, in violation of 18 U.S.C. § 922(t) and 27 C.F.R. § 478.102. See Appendix ¶ 3.
4. On (b)(3) occasions, Licensee willfully failed to timely and/or accurately report the sale or other disposition of two or more pistols and/or revolvers during any five consecutive business

days to an unlicensed person, in violation of 18 U.S.C. § 923(g)(3)(A) and 27 C.F.R. § 478.126a. See Appendix ¶ 4.

5. On ^{(b)(3)} occasions, Licensee willfully sold or otherwise disposed of a firearm to an unlicensed person without recording the transaction on a Firearms Transaction Record, ATF Form 4473, in violation of 18 U.S.C. §§ 922(b)(5); 923(g)(1)(A) and 27 C.F.R. § 478.124(a). See Appendix ¶ 5.
6. On ^{(b)(3)} occasions, Licensee willfully failed to obtain a complete and/or accurate Firearms Transaction Record, ATF Form 4473, from the transferee prior to making an over-the-counter transfer of a firearm to a non-licensee, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(1). See Appendix ¶ 6.
7. On ^{(b)(3)} occasions, Licensee willfully transferred a firearm to a non-licensee without verifying the identity of the transferee by examining the identification document presented and noting the type on a Firearms Transaction Record, ATF Form 4473, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(3)(i). See Appendix ¶ 7.
8. On ^{(b)(3)} occasions, Licensee willfully transferred a firearm to a non-licensee without recording the date the Licensee contacted the National Instant Criminal Background Check System (“NICS”), any response provided by the system and/or any identification number provided by the system information on the Firearms Transaction Record, ATF Form 4473, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(3)(iv). See Appendix ¶ 8.
9. On ^{(b)(3)-1} occasions, Licensee willfully failed to obtain/execute the Firearms Transaction Record, ATF Form 4473 as indicated by the headings on the Form and the instructions on or pertaining to the Form, in violation of 18 U.S.C. § 922(m) and 27 C.F.R. § 478.21(a). See Appendix ¶ 10.

Licensee did not object to the amendments.

After review of the record in this matter, I find that the facts as set forth in the Notice to Revoke or Suspend License and/or Impose Civil Fine as amended at the time of hearing occurred.

Conclusions of Law

1. Pursuant to the GCA and as found at 18 U.S.C. § 923(e) and 27 C.F.R. § 478.73, ATF may, after notice and opportunity for hearing, revoke a Federal firearms license when a licensee willfully violates the GCA, and regulations promulgated thereunder.
2. Licensees are responsible for knowing the rules and regulations of the GCA and have a duty to follow the law and regulations while applying for, and conducting, regulated business activities. *See Trader Vic's v. O'Neill*, 169 F.Supp.2d 957 (N. D. Ind. 2001).
3. For purposes of the regulatory provisions of the GCA, a “willful” violation is committed when a known legal obligation is purposefully disregarded or not fulfilled because of a plain indifference to the requirements. *See Stein's Inc. v. Blumenthal*, 649 F. 2d 463 (7th Cir.1980).

Courts have held that willful violations can occur as the result of a reckless disregard of the statutory requirements. See *Goodman v. Benson*, 286 F. 2d 896 (7th Cir. 1961). Willful violations have been defined as those demonstrating an applicant/licensee's awareness of the proper requirements coupled with acts in contravention of those requirements. Willful violations can include violations committed by a careless disregard for the statutory requirements. See *Trader Vic's v. O'Neill*, supra, citing *Stein's Inc. v. Blumenthal*, 649 F.2d 463 (7th Cir. 1980), *Perri v. Department of Treasury*, 637 F.2d 1332 (9th Cir. 1981), *Goodman v. Benson*, 286 F.2d 896 (7th Cir. 1961).

4. There is no necessity that the government establish a licensee committed the violation willfully as the result of a bad purpose or evil motive. See *Cucciara v. Secretary of Treasury*, 652 F. 2d 28 (9th Cir. 1981); *Stein's Inc. v. Blumenthal*, 649 F. 2d 463 (7th Cir. 1980); *Lewin v. Blumenthal*, 590 F. 2d 268 (8th Cir. 1979); *Cisewski v. Department of the Treasury*, 773 F. Supp. 148 (E.D. Wis. 1991); *Shyda v. Bureau of Alcohol, Tobacco and Firearms*, 448 F. Supp. 409 (M.D. Pa. 1977).

5. Having established Licensee violated the GCA and the regulations issued thereunder, it must be determined whether such violations were willfully committed. For the reasons stated below, I conclude Licensee's conduct was willful.

6. The record reveals Licensee understood the law and regulations as related to the violations cited. In this regard Cowart's Arms and Ammo, LLC has held a Federal firearms license since September 17, 2012. Prior to being licensed, the law and regulations were reviewed with Licensee and the licensee acknowledged participating in that review on September 18, 2012.

7. After receiving a Federal firearms license authorizing Licensee to engage in the business of dealing firearms other than destructive devices, ATF conducted compliance inspections in 2017 and 2019. As a result of the 2017 compliance inspection a Report of Violations was issued on November 8, 2017. Licensee received a copy of that report. At the close of the 2017 compliance inspection ATF conducted a second review of the Federal firearms laws and regulations which was acknowledged by Mr. Cowart on August 25, 2017. After this, and as a follow up, on November 8, 2017, ATF held a Warning Conference in which Mr. Cowart participated in person and reviewed the violations, law and regulations. On November 17, 2017, ATF issued a letter documenting the discussions at the Warning Conference and advising that future violations could result in revocation of the Federal firearm license held by Licensee.

8. In 2019, ATF conducted a second compliance inspection. As a result of that inspection, a Report of Violations was issued on April 3, 2019. Licensee received a copy of that report. At the close of the 2019 compliance inspection ATF again conducted a third review of the Federal firearms laws and regulations which was acknowledged by Mr. Cowart that same date.

9. On August 28, 2019, ATF held a Warning Conference in which Mr. Cowart participated in person and reviewed the violations, law and regulations. Thereafter, on November 17, 2017, ATF issued a letter documenting the discussions at the second Warning Conference and advising that future violations could result in revocation of the Federal firearm license held by Licensee.

10. In 2021, ATF conducted a third compliance inspection. As a result of that inspection, a Report of Violations was issued October 5, 2021. Following this, the instant Notice to Revoke was issued, a hearing was requested, scheduled and held.

11. During the hearing, Licensee admitted that on [REDACTED] occasions Licensee sold or disposed of a firearm to a person who Licensee knew or had reasonable cause to believe was subject to Federal firearms disabilities, in violation of 18 U.S.C. § 922(d) and 27 C.F.R. § 478.99(c). Licensee stated, referring to [REDACTED] instance: “That one right there was pure stupidity because I know the person and I wasn’t paying any attention and to be honest with you”. (TR P 77, L 15 – 17). In regard to another instance cited in Section 1, Licensee admitted knowledge of the law and regulations in regard to this requirement stating “Yes. He’s aware of it. Just missed it I would assume and that -- that is why we started this.” (TR P 78, L 2-4). Prior to these violations occurring, Licensee had been advised of the law and regulations regarding this requirement on multiple occasions including the 2012, 2017 and 2019 reviews conducted by ATF of the law and regulations which included this requirement. I find these violations were committed willfully.

12. The second section of the Notice, as amended, charged that on [REDACTED] occasions Licensee willfully failed to record the acquisition and disposition of firearms, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R § 478.125a. Licensee contested this violation during the hearing stating “I believe I did the forms, yes”. (TR P 110, L 2). While Licensee testified that he thought he did the forms, which were not produced at any time pertinent hereto, Licensee did not record the information required in accord with the regulations and thus committed this violation. Prior to these violations being cited, Licensee had been advised of the law and regulations regarding this requirement on multiple occasions including the 2012, 2017 and 2019 reviews conducted by ATF of the law and regulations which included this requirement. In 2017 and 2019, Licensee was cited for similar violations and attended a Warning Conference discussing the law and regulations related to this requirement as well as received a follow up letter detailing the discussions at the conference. I find these violations were committed willfully.

13. Licensee admitted that on [REDACTED] occasions Licensee transferred a firearm to an unlicensed person without first contacting the National Instant Criminal Background Check System (“NICS”) and obtaining a unique identification number and/or waiting three days before allowing the transfer, in violation of 18 U.S.C. § 922(t) and 27 C.F.R. § 478.102. Licensee stated in response to this violation “Yes. -- excuse me -- my staff and friends and I understand the requirement of three business days for and we used the Brady bill they provided through NICS. Each error could have been made by placing the incorrect date, not updating the notice to proceed or other input not in – data”. (TR P 123, L 16-25). Prior to these violations occurring, Licensee had been advised of the law and regulations regarding this requirement on multiple occasions including the 2012, 2017 and 2019 reviews conducted by ATF of the law and regulations which included this requirement. In 2017, Licensee was cited for similar violations and attended a Warning Conference discussing the law and regulations related to this requirement as well as received a follow up letter detailing the discussions at the conference. I find these violations were committed willfully.

14. Licensee did not dispute that on [REDACTED] occasions Licensee failed to timely and/or accurately report the sale or other disposition of two or more pistols and/or revolvers during any five consecutive business days to an unlicensed person, in violation of 18 U.S.C. § 923(g)(3)(A) and 27 C.F.R. § 478.126a. Licensee stated in response to being questioned if he knew he was required to report multiple sales of pistols and/or revolvers within a specified time frame “Yes. Yes, sir. Yes, ma’am.” (TR P 143, L 12). Prior to these violations occurring, Licensee had been advised of the law and regulations regarding this requirement on multiple occasions including the 2012, 2017 and 2019 reviews conducted by ATF of the law and regulations which included this requirement. In both 2017 and 2019, Licensee was cited for similar violations and attended a Warning Conference discussing the law and regulations related to this requirement as well as receiving a follow up letter detailing the discussions at the conference. I find these violations were committed willfully.

15. Licensee did not dispute that on [REDACTED] occasions Licensee sold or otherwise disposed of a firearm to an unlicensed person without recording the transaction on a Firearms Transaction Record, ATF Form 4473, in violation of 18 U.S.C. §§ 922(b)(5); 923(g)(1)(A) and 27 C.F.R. § 478.124(a). Licensee stated in response to the testimony regarding this violation: “I’m -- I can’t believe that I would not have completed a 4473 so more than likely had -- I think I actually told Mr. (b)(6) that at one time I had my files next to the trash can... And it’s a possibility some may have gone in there and I didn’t realize it”. (TR P 153, L 18 – P 154, L 4). Prior to these violations occurring, Licensee had been advised of the law and regulations regarding this requirement on multiple occasions including the 2012, 2017 and 2019 reviews conducted by ATF of the law and regulations which included this requirement. In addition, in 2017, Licensee was cited for similar violations and attended a Warning Conference discussing the law and regulations related to this requirement as well as received a follow up letter detailing the discussions at the conference. I find these violations were committed willfully.

16. Licensee did not contest that on [REDACTED] occasions Licensee failed to obtain a complete and/or accurate Firearms Transaction Record, ATF Form 4473, from the transferee prior to making an over-the-counter transfer of a firearm to a non-licensee, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(1). Licensee stated that the reason for these violations was “...that was probably 99 percent and just several people in the store, trying to finish it up as quick as I could and just messed up.” (TR P 165, L 8-10). Prior to these violations occurring, Licensee had been advised of the law and regulations regarding this requirement on multiple occasions including the 2012, 2017 and 2019 reviews conducted by ATF of the law and regulations which included this requirement. In both 2017 and 2019, Licensee was cited for similar violations and attended a Warning Conference discussing the law and regulations related to this requirement as well as receiving a follow up letter detailing the discussions at the conference. I find these violations were committed willfully.

17. Licensee did not dispute that on [REDACTED] occasions Licensee transferred a firearm to a non-licensee without verifying the identity of the transferee by examining the identification document presented and noting the type on a Firearms Transaction Record, ATF Form 4473, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(3)(i). In response to being asked if he knew the regulations and requirements related to this violation, Licensee responded “Uh-huh. He (referring to an employee who committed some of the violations) does.” (TR P 178, L 8). Prior to these violations occurring, Licensee had been advised of the law and regulations regarding this requirement on

multiple occasions including the 2012, 2017 and 2019 reviews conducted by ATF of the law and regulations which included this requirement. In addition, in 2017, Licensee was cited for similar violations and attended a Warning Conference discussing the law and regulations related to this requirement as well as received a follow up letter detailing the discussions at the conference. I find these violations were committed willfully.

18. Licensee did not dispute that on [REDACTED] occasions Licensee transferred a firearm to a non-licensee without recording the date the Licensee contacted the National Instant Criminal Background Check System ("NICS"), any response provided by the system and/or any identification number provided by the system information on the Firearms Transaction Record, ATF Form 4473, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(3)(iv). Licensee stated he purchased new software to avoid this in the in future. (TR P 158, L 21). Prior to these violations occurring, Licensee had been advised of the law and regulations regarding this requirement on multiple occasions including the 2012, 2017 and 2019 reviews conducted by ATF of the law and regulations which included this requirement. In both 2017 and 2019, Licensee was cited for similar violations and attended a Warning Conference discussing the law and regulations related to this requirement as well as receiving a follow up letter detailing the discussions at the conference. I find these violations were committed willfully.

19. Licensee did not dispute that on [REDACTED] occasions Licensee transferred a firearm to a non-licensee without recording the date the Licensee contacted the National Instant Criminal Background Check System ("NICS"), any response provided by the system and/or any identification number provided by the system information on the Firearms Transaction Record, ATF Form 4473, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(3)(iv). Prior to these violations occurring, Licensee had been advised of the law and regulations regarding this requirement on multiple occasions including the 2012, 2017 and 2019 reviews conducted by ATF of the law and regulations which included this requirement. In both 2017 and 2019, Licensee was cited for similar violations and attended a Warning Conference discussing the law and regulations related to this requirement as well as receiving a follow up letter detailing the discussions at the conference. I find these violations were committed willfully.

20. Licensee did not dispute that on [REDACTED] occasions Licensee failed to obtain/execute the Firearms Transaction Record, ATF Form 4473 as indicated by the headings on the Form and the instructions on or pertaining to the Form, in violation of 18 U.S.C. § 922(m) and 27 C.F.R. § 478.21(a). Licensee stated as an explanation for the violations "Just was going through too fast and doing stupid errors. (TR P 212, L 25- P 213, L1). Prior to these violations occurring, Licensee had been advised of the law and regulations regarding this requirement on multiple occasions including the 2012, 2017 and 2019 reviews conducted by ATF of the law and regulations which included this requirement. In both 2017 and 2019, Licensee was cited for similar violations and attended a Warning Conference discussing the law and regulations related to this requirement as well as receiving a follow up letter detailing the discussions at the conference. I find these violations were committed willfully.

21. After consideration of the record, which includes the facts, evidence, testimony, and as provided by 18 U.S.C. § 923(d) and 27 C.F.R. § 478.73, the Federal firearms license held by Cowart's Arms and Ammo, LLC is hereby REVOKED.

Dated this 11th day of May 2022.

VALENTINA CLOSE Digitally signed by
VALENTINA CLOSE
Date: 2022.05.11
12:23:09 -05'00'

Valentina Close
Director, Industry Operations
New Orleans Field Division
Bureau of Alcohol, Tobacco, Firearms and Explosives